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## Hungary

### Grain and Feed

### Winter Crop Situation

**2006**

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**Report Highlights:**

After two consecutive years of record crops, Hungary is coping with high grain stocks. Fall planted area of wheat, barley and rapeseed followed the long-term average. Severe frosts without adequate snow cover has beset the wintering crops all over Central Europe. At present, the Ministry of Agriculture deems winterkill prospects "normal".

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Includes PSD Changes: No  
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Vienna [AU1]  
[HU]

## 2005 Harvest Season

The 2005 grain crop was the second largest in the last 15 years, following the record crop of 2004. Corn production was particularly high at 9 million MT taken from 1.2 million harvested hectares.

The corn harvest was completed in early December, which was very late in the season, but the dry and mild weather did not spoil crop quality or cause much harvest losses. However, the late harvest delayed the seeding of winter wheat and winter barley (affecting about half of the total barley plantings), as well as cultivation for the spring crops.

About one million MT corn is stored in simple temporary storing facilities, but continuous exports and domestic use will solve this problem soon. During a late January meeting with Commissioner Fisher Boel, the Hungarian Minister of Agriculture, repeatedly asked the European Union to help remove the high grain stocks of the landlocked Central European countries. Farms offered about 4 million MT of grains for intervention this year; this volume meets last year's level.

## Fall Plantings

Although fall planting was delayed, 1,126 thousand hectares were devoted to wheat which matches the 2005 production area. Winter barley plantings totaled 188 thousand hectares, 10 percent higher than the previous year. The biodiesel frenzy in Europe did not curb rape plantings as 146,000 hectares were planted which represents a 20 percent increase compared to 2005's harvested area. However, the winterkill of rape during normal years may reach 30 to 40 percent of the planted area.

## Weather Update

December brought heavy snow and rains coupled with relatively mild temperatures. By early January, standing water on arable land totaled 100,000 hectares (about 3 percent of the total area). The flooded area went back to 75,000 hectares later, but severe frosts beginning the second week of January turned the water to solid ice. At the same time, as satellite images indicate, snow cover on the main "Hungarian plain" was rather weak. February brought substantial precipitation (snow, as well as rain) and snowmelt increased the area covered with water above the 100,000 ha. Standing water affects the central part of the country along the Tisza and Koros river. In this area, hundreds of people had to leave their old farmhouses, as they were swamped by undrained water.

Crop insurance is considered "very expensive" by Hungarian farmers. Only 4% of wheat and 20% of rapeseed area are covered by insurance. The use of crop insurance is far higher in Western European countries. Until 2003, the GOH covered 30% of the cost of farm insurance by providing state subsidies.

## Preliminary Forecast

Wheat and winter barley area, as well as crop quality may be average in 2006, even if winterkill is somewhat higher than normal. Winter conditions may damage rapeseed much more. A considerable drop in rapeseed area (by 20 to 30%) would not be a surprise.